



Michigan State Police

Emergency Management and Homeland Security Division

Informational Bulletin

Issue: 11-02

November 21, 2011

Compliance with Federal Grant Requirements

As the State Administrative Agency (SAA) for U.S. Department of Homeland Security (DHS) grant programs, the Michigan State Police, Emergency Management and Homeland Security Division (MSP/EMHSD) is responsible for ensuring all subgrantees adhere to requirements established by the federal government. In doing so, the MSP/EMHSD monitors grant compliance and provides guidance on how to best meet federal requirements.

Recently, some potential compliance issues have been identified in the areas of professional services, conflict of interest, and dual compensation. As a result, the specific requirements for these areas are provided below to ensure all subgrantees are compliant.

Grant Requirement: Professional Services

2 CFR Part 225, Attachment B (32) (a) states:

Costs of professional and consulting services rendered by persons who are members of a particular profession or possess a special skill, **and who are not officers or employees of the governmental unit**, are allowable... **(Bolding added)**

How does this requirement apply to subgrantees?

An officer or employee of a unit of government cannot provide professional services to the same unit of government and be paid with federal awards for the services performed.

Grant Requirement: Conflict of Interest

44 CFR Part 13.36 (b) (3) states:

Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (i) The employee, officer, or agent, (ii) Any member of his immediate family, (iii) His or her partner, or (iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

How does this requirement apply to subgrantees?

If a member of a regional homeland security planning board, or any subcommittee thereof, participates in making decisions, approvals, disapprovals, recommendations, or rendering of advice on the use of federal grant money, those same members cannot personally benefit from, or be an employee of a non-public entity that benefits from those federal grant monies.

Grant Requirement: Dual Compensation

DHS grant guidance states:

In no case is dual compensation allowable. That is, an employee of a unit of government may not receive compensation from their unit or agency of government AND from an award for a single period of time (i.e., 1:00 PM to 5:00 PM) even though such work may benefit both activities.

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If an employee of a unit of government wishes to perform professional services outside of their regular governmental duties, he/she shall not perform those services during their regular scheduled work time if they will receive compensation (including annual leave, sick leave, or any other paid leave time) from their government agency and from a federal award for the same period of time.

Subgrantee Policies

In addition to federal requirements, all policies and procedures issued by the subgrantee's organization must be followed. The above requirements are not intended to conflict with an agency's policies and procedures. If a conflict occurs, then the more stringent requirement shall apply.

Contact information:

For additional assistance regarding federal grant requirements, please contact Richard Sheaffer with the MSP/EMHSD at (517) 333-4624. Subgrantees are also encouraged to contact their agency's legal staff for assistance in applying federal grant requirements.